

ONEIDA LTD. SILVERSMITHS ANNUAL REPORT

FISCAL YEAR ENDING JANUARY 31, 1968



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Front Cover

Illustrated with Oneida's silver cube, the symbolic Mark of Excellence, are forks (left to right) in the MARTINIQUE pattern in ONEIDA HEIRLOOM Sterling, WOODMERE in COMMUNITY Stainless and SILVER ARTISTRY in COMMUNITY Silverplate; a coffee pot in the MELON pattern in HEIRLOOM Silverplated Holloware, and a dinner plate in the VENETIAN SPLENDOR pattern in ONEIDA DELUXE Classic Rim Melamine Dinnerware.



DIRECTORS

*HAMILTON ALLEN
 *HENRY G. ALLEN
 LAWRENCE A. APLEY
 JOSEPH M. AUSTIN
 *RICHARD A. BLOOM
 THOMAS H. CHOATE
 ROBERT L. CLARE, JR.
 *ORVILLE E. CUMINGS, JR.
 *JOHN H. DETRICH
 HARRY T. FARMER
 STEWART M. HILL
 JOHN R. KELLER^o
 GEORGE H. KRAMER
 *ROBERT W. LONDON
 GORDON A. MOREAU
 *PIERREPONT T. NOYES
 *MILES E. ROBERTSON
 *DUDLEY E. SANDERSON^{oo}
 LESLIE I. SMITH
 HERBERT B. STOUGHTON
 JEROME WAYLAND-SMITH
Mr. Apley is President of the American Management Association.
Mr. Choate is General Partner, White, Weld & Co.
Mr. Clare is Senior Partner, Shearman & Sterling.

All others are executives of Oneida Ltd.

*Members of the Executive Committee

^oDied June 3, 1967

^{oo}Died January 30, 1968

OFFICERS

MILES E. ROBERTSON
Honorary Chairman of the Board
 PIERREPONT T. NOYES
President and Chairman of the Board
 JOHN H. DETRICH
Vice President and Treasurer
 DUDLEY E. SANDERSON
Vice President—Foreign Operations
 RICHARD A. BLOOM
Vice President—Corporate Planning
 HENRY G. ALLEN
Vice President—Manufacturing
 HAMILTON ALLEN
Vice President—Personnel
 ROBERT W. LONDON
Vice President—Marketing
 ORVILLE E. CUMINGS, JR.
Vice President and General Counsel
 JEROME WAYLAND-SMITH
Secretary
 GORDON A. MOREAU
Controller
 ROY E. ECKLUND
Assistant Secretary and Assistant Treasurer
 ARTHUR F. WOODBURY, JR.
Assistant Secretary

Transfer Agent

First National City Bank
 55 Wall Street
 New York, New York 10015

Registrar

The Chase Manhattan Bank, N.A.
 1 Chase Manhattan Plaza
 New York, New York 10015

ONEIDA LTD.

HEAD OFFICE: Oneida, New York
 FACTORIES: Sherrill, New York
 SALES OFFICES: New York, Chicago, Los Angeles

ONEIDA CANADA LIMITED

(wholly owned subsidiary)
 HEAD OFFICE: Toronto, Ontario
 FACTORY: Niagara Falls, Ontario
 SALES OFFICES: Toronto and Niagara Falls

ONEIDA SILVERSMITHS LIMITED

(wholly owned subsidiary)
 HEAD OFFICE: London, England
 FACTORY: Bangor, Northern Ireland
 SALES OFFICE: London, England

ONEIDA MEXICANA, S.A.

(50% owned affiliate)
 HEAD OFFICE AND FACTORY: Toluca, Mexico

ONEIDA LTD. SILVERSMITHS ANNUAL REPORT

FISCAL YEAR ENDED JANUARY 31, 1968

FINANCIAL HIGHLIGHTS

	Year ended January 31	1968	1967
Net sales		\$58,866,261	\$54,208,113
Income before taxes on income and extraordinary loss		5,179,716	5,003,358
Taxes on income		2,660,000	2,565,000
Income before extraordinary loss		2,519,716	2,438,358
Extraordinary loss (devaluation of the English pound)		94,030	—
Net income		2,425,686	2,438,358
Dividends declared on preferred stock		141,009	141,009
Dividends declared on common stock		730,333	581,166
Working capital		20,187,790	17,133,380
Total stockholders' equity		25,226,413	23,672,069
Per share of common stock:			
Income before extraordinary loss		1.79	1.73
Extraordinary loss		(.07)	—
Net income		1.72	1.73
Dividends55	.44
Book value		17.23	16.06

Figures for the year ended January 31, 1967 have been restated, where necessary, to conform with the current financial statement.

The stockholders of ONEIDA LTD. are cordially invited to the 87th Annual Meeting which will be held at 2:00 P.M. on May 23, 1968 in The Great Hall of the Mansion House in Kenwood Station, Oneida, New York 13421.

To the Stockholders of Oneida Ltd.:



In 1967 our consolidated sales increased over the record figures established in 1966, but, in spite of a good increase in domestic earnings, the consolidated earnings failed to increase due to the results of the English subsidiary.

We had a very sizable loss in our English subsidiary during the first half of the year. This loss was due to governmental austerity programs and to a general uneasiness in the marketplace. It is pleasant to realize, however, that when the year ended, this first six months' operating loss had been slightly reduced, indicating that we would have had a profitable second half except for the devaluation of the English pound. So far this year, too, sales have continued to grow, as the retail business in England is having what they call a "boomlet."

The English buying enthusiasm stems from a feeling on the part of the public that there will be a very austere and harsh budget brought down in mid-March, and, therefore, they are spending it "while they've got it," so to speak. By the time you receive this year-end statement, the answer to the effects of the new budget, if any, will be apparent, but whatever the answer is, we are looking forward to a much better first half in 1968 than that experienced in 1967.

During the past year the management of our English subsidiary brought their Northern Ireland factory variances from a substantial loss to a measurable profit, and their Sales Department was more effective than ever. We believe that the total organization is certainly as efficient and effective as any tableware manufacturer in the United Kingdom and Western Europe, and is ready to benefit from the upsurge in general European business.

To add to this optimistic forecast and to relieve our domestic factories to some extent in their need for productive capacity, we are planning to import certain types of tableware from the Northern Ireland factory. This will not only be helpful to the United States operations, but to those in Northern Ireland, where we still have available capacity. The profits generated, thanks to a large tax loss carried forward, will come through to the consolidated balance sheet with no tax deductions. Beyond this, we have contracted to produce in the Northern Ireland plant all of the Stainless

Steel Tableware required by one of England's largest tableware manufacturers. This program comes onstream in the spring of 1968, and this production, plus that for the United States, will be very helpful in absorbing present overhead expense.

With the losses sustained by our English subsidiary, I cannot say that I was satisfied with our overall earnings record in 1967. However, our fiscal health did become more robust as our working capital increased by \$3,054,410 to \$20,187,790, and the stockholders' equity went from \$23,672,069 to a new high of \$25,226,413. We also paid a total dividend of 55¢ per share of common stock in 1967 against 44¢ the year before, and the book value of our common stock rose from \$16.06 to \$17.23 per share.

We had a busy year in 1967 and again lost some income due to our inability to deliver. This situation is under constant study, and while it will be helped to some extent by the imports from Northern Ireland, we are also moving in other directions to improve the situation in 1968. Incidentally, 1968 has started out where 1967 left off—with the order books overfilled.

Our domestic Tableware Divisions did very well in 1967, outperforming the previous year handily. Stainless increased its figures very handsomely. Plated Flatware was satisfactory, and our Sterling Silver sales, despite riotous silver price action during the year, beat last year by a good margin.

The Holloware Department gave a very good account of itself in the last half of the year, and our programs were very well received. In this product area the marketing has, once again, become orderly, and we look forward to a very good performance in the coming year.

At long last, Melamine Dinnerware turned the corner. Our new shape and designs were accepted by both the dealer and the consumer in such proportions that we ended the year with an excellent profit trend and an obvious requirement for expanded production facilities. These facilities will go onstream this summer, and the year 1968 looks as though it will justify our long-suffering confidence in the profitability of this product.

Our new line of Cutlery was well placed this fall and well accepted by the consumer. Early returns this spring indicate that, in Cutlery, we have a very fine growing product line. It fits our present distributive system and is merchandised and styled to become a real profitmaker in the near future.

By the end of fiscal 1967 we had had ten months of selling our imported line of Sambonet (Italy) Hotel Holloware. We have received and are still getting large orders from many of the finest hotels and restaurants in the country, and, of course, as planned, added Flatware orders are brought in along with these Holloware orders. Apparently, we have a real future with this product, both saleswise and profitwise, and the line should add materially to the growing sales of our Hotel and Restaurant Division.

Our Canadian subsidiary, although not reaching their profit and sales goals, did have a better year in 1967 than the year before. There was a distinct falloff in business in December and January which hurt the year's totals. In spite of this, the organization did an efficient job. Business, at this writing, is coming in in good volume, and our plans for 1968 are for increased efficiency and for substantially increased sales and profits. If Canadian business in general does not run afoul of fiscal problems, I see no reason to disbelieve their forecast for the year ahead.

We are most pleased with the operation of our Mexican co-venture, Oneida Mexicana, S.A. Our working relations with our Mexican partners are excellent, and my hat is off to the management team in Mexico City and Toluca (factory location) for the fine job they have done this past year. It was their third full year of operation. They have expanded their marketing and broadened their manufacturing capabilities at a very rapid pace, and they are now planning to go even further in 1968. The Mexican economy is as stable as any in the Western Hemisphere, and the peso is a very sound currency. We are looking forward to a good-sized export business in the not too distant future, which will add to the total profitability nicely.

For 1968 your Company has product plans and capacity plans that will make the year look bright, providing the country's and the world's economy stay stable, at least. You

and I read the same news releases, so I am sure that you can understand my vague, but natural, misgivings about our near-term future economy. All I can say in the way of reassurance is that we are aware of the problems facing us, yet we feel that we are smart enough and energetic enough to cope with whatever develops.

Your Company has had a fine growth since 1963. The market value of our common stock has increased almost fourfold. The assets have gone up from \$25,121,330 to \$43,815,567. Total dividends were \$871,342 in 1967 as compared to \$348,592 in 1963, and plant capacity has increased by more than 37%.

The year 1967 marked another milestone in Oneida's history. On Monday, November 6th, our common stock was initially listed on the New York Stock Exchange. This was a significant forward step in the planned growth of the Company. We have now joined a select group of less than 1,300 of the nation's more than 1.3 million companies who have fulfilled all of the financial requirements of the Exchange, and the listing will give more widespread recognition to the Company and its products, a broader market for its stock and a market that offers economy, convenience and efficiency of trading.

All of the figures and plans for 1968 are GO, and all that is needed is good management and good people from top to bottom. Manpower planning and development is a prime objective of your management . . . we have good management, we are training good management, and we are hiring good management material.

We have come a long way, but the future holds even greater opportunities for growth. Our long-range planning indicates just what is needed for the next move forward, and we are preparing and working toward it right now.

You have a very fine organization working for you here at all levels. Whatever their jobs, I have always counted on these people to perform well above the average, and they have always come through. Looking into a very confusing 1968 world situation and national economy, I am filled with a powerful confidence, bred of repetitive experience, that assures me that Oneida Ltd. is a top corporation that has earned the success we plan for it.

Pierpont Hughes

March 15, 1968

President and Chairman of the Board



THE MARK OF EXCELLENCE

The modern craftsmen of Oneida



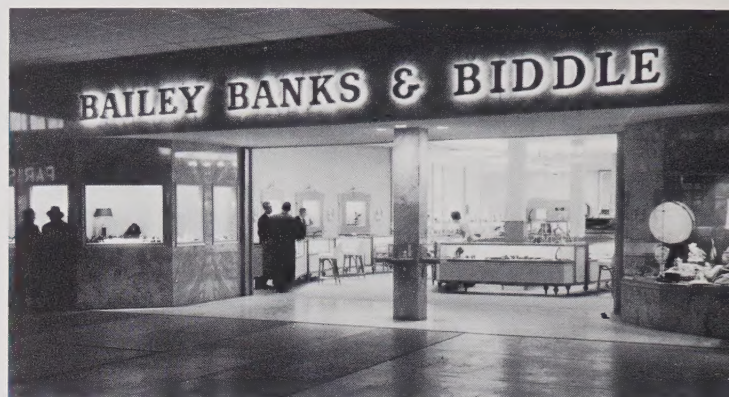
From the beginning of recorded history, silver-smithing has called for craftsmen of infinite skills. Silver spoons and jewelry from the days of the early Egyptians, through the Golden Era of Greece and Rome, the Renaissance and the pure lines of our own Colonial period, all call attention to the silversmith's art. This craftsmanship is still inherent in all of Oneida's products, but today it is augmented by the skills of trained engineers.

- a. Modern tableware begins with the creative genius of the designer
- b. Craftsmen hand-carve the first spoon from a block of sterling silver
- c. Under giant drop hammers, the pattern—both front and back—is applied
- d. Buffers use both brawn and skill to bring the pieces to a perfect finish
- e. Skilled model makers create the first, hand-formed piece of holloware
- f. Artisans delicately silver solder holloware mounts to the body of the piece
- g. Trained inspectors, with years of experience, carefully scan every piece for imperfections

Oneida Silversmiths...a major supplier to the entire tableware market

Oneida produces lines, patterns and products for every facet of the tableware market. Efficient methods of distribution reach every segment of the country. Carefully selected sales forces specialize in their own type of market, and each of these men undergoes a continuous development program administered by specialists, so that they, in turn, can instruct wholesale and retail sales people in the most modern methods of salesmanship and merchandising.

While the bride—rapidly growing in numbers—is Oneida's prime customer, the Company's sales efforts, advertising and sales promotion are aimed at children, the teenager, the family and the mature woman as well.



a.

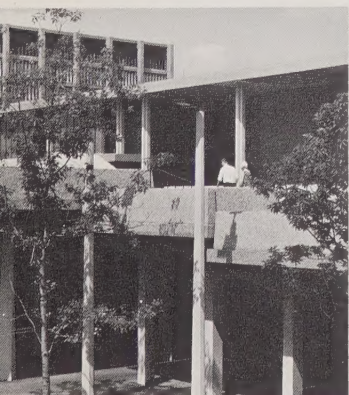


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h.





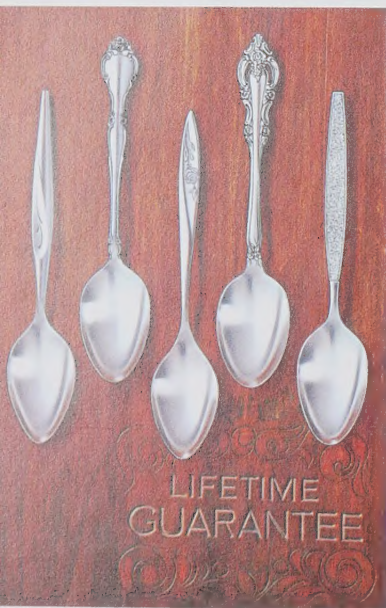
The broad markets of America may be clearly seen on these pages:

- a. Metropolitan jewelry stores
- b. Restaurants—both large and small
- c. The dining rooms and cafeterias of business institutions
- d. Famous hotels
- e. Thousands of small jewelry stores
- f. Big city markets
- g. Rapidly expanding hospitals
- h. Small town markets
- i. Giant department stores
- j. Superb new motels
- k. The country's rapidly growing universities, colleges and schools
- l. Airlines and all transportation facilities
- ... plus many, many more!

A look at some of Oneida's products

The modern products of Oneida are still based on a belief in Perfectionism, a philosophy that was instilled by the founders in 1848. Whether working in sterling, silverplate, stainless steel or modern plastics, the aim of the Company is to produce the finest available product in every price field.

The teaspoon in every flatware pattern is first hand-carved from a block of sterling silver to bring out the nuances of pattern detail, finish, balance and "feel." Then every major pattern in sterling, silverplate or stainless is market tested by Company experts in hundreds of personal interviews throughout the country. This painstaking development and research have led to continued sales success.



d.



a.



e.



g.

Preview of the new for spring 1968



Oneida products illustrated:

- a. Dramatic stainless flatware under the trademarks COMMUNITY Stainless and ONEIDACRAFT Deluxe Stainless
- b. Hotel and restaurant tableware in silverplate and stainless especially designed to withstand institutional use
- c. Current patterns in COMMUNITY, The Finest Silverplate
- d. MARTINIQUE in ONEIDA HEIRLOOM Sterling, successfully introduced in 1967
- e. The MELON pattern in HEIRLOOM Silverplated Holloware, a Sheffield reproduction
- f. AUTUMN GLADE in ONEIDA DELUXE Classic Rim Melamine Dinnerware
- g. ONEIDA Deluxe Cutlery, the Company's newest product success

For introduction in the spring:

- a. The new SEA CREST pattern in ONEIDA SILVERSMITHS Silverplate captures the fluid motion of the sea
- b. A golden opportunity with four new patterns in a new line—1881 ROGERS Gold Electroplate by ONEIDA LTD.
- c. WOODLAND TRAIL in ONEIDA DELUXE Melamine Dinnerware reflects nature's beauties
- d. Dramatic, exciting, different—the new VENETIA pattern in COMMUNITY Stainless
- e. SAUCY SUZY, an informal new pattern as pert as its name, in ONEIDA CUSTOM Melamine Dinnerware

Modern production and sales facilities throughout the free world

Oneida's main factories and administrative offices are located in Central New York State, at the hub of the Empire State's transportation services and in a stable labor area. The main factory in Sherrill, New York, is the largest single tableware factory in the world, and the nearby Knife Plant is the leading individual producer of forged and streamline blades in the country.

The Company's domestic sales offices, foreign sales offices and foreign plants are strategically located to serve the free world's major markets.

- a. Air view of the main factory in Sherrill, New York
- b. The handsome Administration Building in Oneida, New York
- c. The Canadian subsidiary's factory in Niagara Falls, Ontario
- d. The new United Kingdom subsidiary's factory in Bangor, Northern Ireland
- e. The factory of Oneida's new Mexican affiliate in Toluca, Mexico
- f. The display rooms and sales offices in New York City
- g. The display rooms and sales offices in Chicago
- h. The display rooms and sales offices in Los Angeles
- i. The Blue Room—a most modern display room in the Administration Building at Oneida
- j. The sales office in London, England
- k. The sales office in Toronto, Ontario
- l. Oneida Observation Tower and Shopping Plaza in Niagara Falls, Ontario



a.



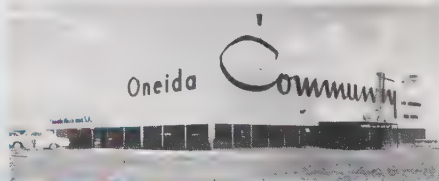
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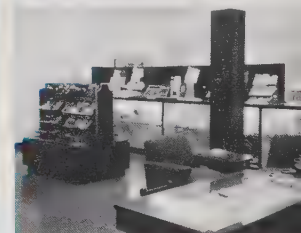
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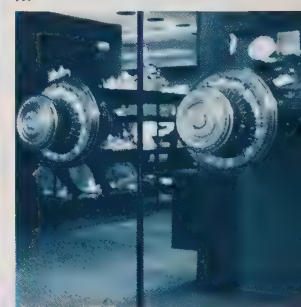
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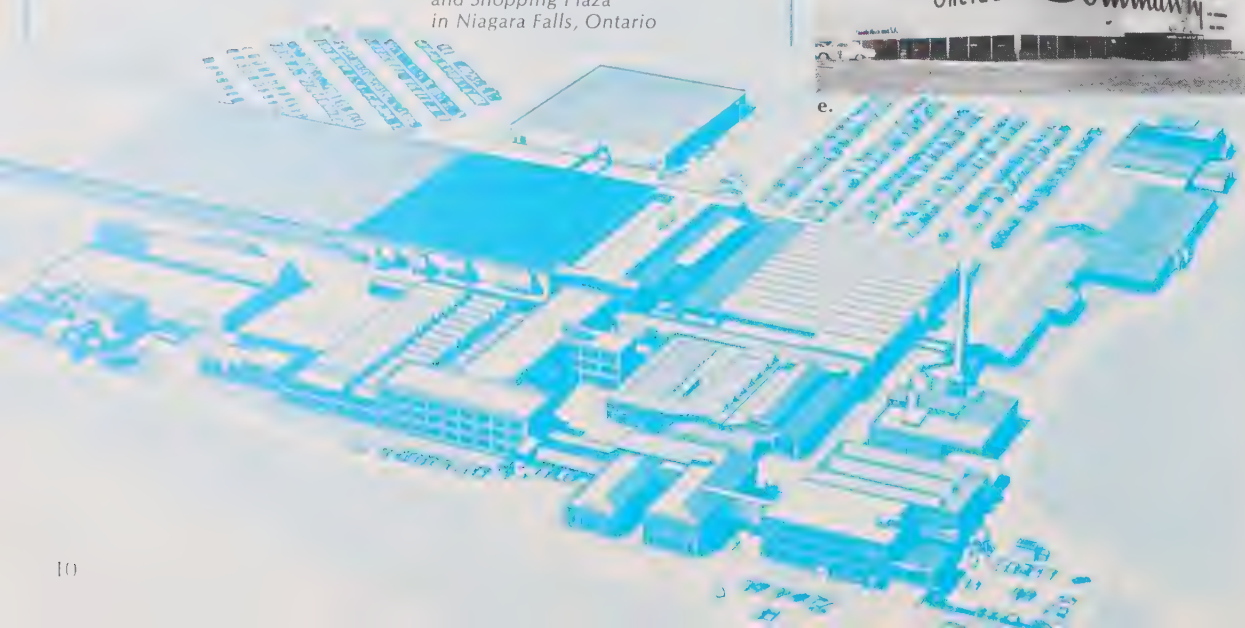
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Statement of Consolidated Income and Earned Surplus



	Year ended January 31	1968	1967
NET SALES		\$58,866,261	\$54,208,113
COST OF SALES		41,288,695	38,150,582
GROSS PROFIT ON SALES		<u>17,577,566</u>	<u>16,057,531</u>
OPERATING EXPENSES:			
Selling and advertising		9,100,976	8,175,277
General and administrative		2,598,883	2,339,784
TOTAL		<u>11,699,859</u>	<u>10,515,061</u>
INCOME FROM OPERATIONS		<u>5,877,707</u>	<u>5,542,470</u>
OTHER INCOME:			
Amortization of Northern Ireland grant		74,496	79,797
Interest		112,873	116,100
Miscellaneous		56,960	46,036
TOTAL		<u>244,329</u>	<u>241,933</u>
		<u>6,122,036</u>	<u>5,784,403</u>
OTHER DEDUCTIONS:			
Interest		790,948	641,377
Net loss of unconsolidated subsidiaries (Note 1)		151,372	139,668
TOTAL		<u>942,320</u>	<u>781,045</u>
INCOME BEFORE TAXES ON INCOME AND EXTRAORDINARY ITEM		<u>5,179,716</u>	<u>5,003,358</u>
PROVISION FOR INCOME TAXES:			
Federal		2,274,217	2,106,818
Other		385,783	458,182
TOTAL		<u>2,660,000</u>	<u>2,565,000</u>
INCOME BEFORE EXTRAORDINARY ITEM		<u>2,519,716</u>	<u>2,438,358</u>
EXTRAORDINARY ITEM—			
Loss on devaluation of English pound, net of applicable income			
taxes and reserve aggregating \$99,139		<u>94,030</u>	<u>—</u>
NET INCOME		<u>2,425,686</u>	<u>2,438,358</u>
EARNED SURPLUS AT BEGINNING OF YEAR (Note 1)		<u>13,022,950</u>	<u>12,695,286</u>
		<u>15,448,636</u>	<u>15,133,644</u>
LESS DIVIDENDS AND OTHER DISTRIBUTIONS:			
Cash dividends:			
Preferred stock (\$1.50 per share)		141,009	141,009
Common stock (\$1.55 per share in current year and			
\$.44 per share in prior year)		730,333	581,166
Common stock distribution		—	1,388,519
TOTAL		<u>871,342</u>	<u>2,110,694</u>
EARNED SURPLUS AT END OF YEAR (Note 3)		<u>\$14,577,294</u>	<u>\$13,022,950</u>
EARNINGS PER SHARE:			
Income before extraordinary item		\$1.79	\$1.73
Extraordinary item		(.07)	—
Net income		<u>\$1.72</u>	<u>\$1.73</u>

See notes to financial statements.

Consolidated Balance Sheet

ASSETS	January 31	1968	1967
CURRENT ASSETS:			
Cash		\$ 1,323,885	\$ 1,515,596
Trade accounts receivable (after reduction for doubtful accounts and promotion allowances of \$630,129 in current year and \$649,026 in prior year)		8,943,775	8,307,048
Other accounts and notes receivable		345,112	343,249
Inventories (Note 2):			
Finished goods		5,972,424	4,615,549
Goods in process		6,483,406	6,469,695
Raw materials and supplies		5,584,788	5,369,189
TOTAL CURRENT ASSETS		<u>28,653,390</u>	<u>26,620,326</u>
INVESTMENTS:			
Investments in and advances to:			
Unconsolidated subsidiaries (Note 1)		1,215,897	1,177,080
Affiliate -at cost (Note 1)		860,000	800,000
Miscellaneous—at cost		107,413	98,107
TOTAL INVESTMENTS		<u>2,183,310</u>	<u>2,075,187</u>
PROPERTY, PLANT, AND EQUIPMENT—At cost:			
Land		124,732	123,115
Buildings, machinery, and equipment		27,666,892	25,869,401
TOTAL		<u>27,791,624</u>	<u>25,992,516</u>
Less accumulated depreciation		15,016,620	14,028,414
PROPERTY, PLANT, AND EQUIPMENT—Net		<u>12,775,004</u>	<u>11,964,102</u>
PREPAID EXPENSES		203,863	215,769
TOTAL		<u>\$43,815,567</u>	<u>\$40,875,384</u>

LIABILITIES AND STOCKHOLDERS' EQUITY
January 31

	1968	1967
CURRENT LIABILITIES:		
Bank loans	\$ 2,934,207	\$ 3,564,923
Accounts payable	1,665,804	1,781,874
Accrued payrolls and expenses	1,342,238	1,210,792
Accrued employee bonus	804,801	800,082
Federal, state, and Canadian income taxes	1,288,939	1,721,005
Other taxes	195,182	207,038
Dividends payable	234,429	201,232
TOTAL CURRENT LIABILITIES	8,465,600	9,486,946
 LONG-TERM DEBT (Note 3)	 9,000,000	 6,500,000
 DEFERRED CREDITS AND RESERVE:		
Federal income tax	739,249	769,521
Unamortized Northern Ireland grant	384,305	371,848
Reserve for foreign exchange losses	—	75,000
TOTAL DEFERRED CREDITS AND RESERVE	1,123,554	1,216,369
 STOCKHOLDERS' EQUITY:		
6% cumulative preferred stock (authorized, 95,660 shares of \$25 par value, callable at \$30 a share; issued and outstanding, 94,000 shares)	2,350,000	2,350,000
Common stock (authorized, 2,000,000 shares of \$6.25 par value; issued and outstanding, 1,327,859 shares)	8,299,119	8,299,119
Earned surplus (Note 3)	14,577,294	13,022,950
TOTAL STOCKHOLDERS' EQUITY	25,226,413	23,672,069
TOTAL	\$43,815,567	\$40,875,384

See notes to financial statements.

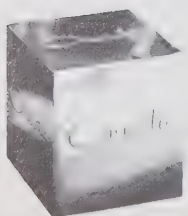
THE MARK OF EXCELLENCE



Statement of Consolidated Source and Application of Funds

	Year ended January 31	1968	1967
SOURCE OF FUNDS:			
Net income		\$ 2,425,686	\$ 2,438,358
Provision for depreciation		1,492,360	1,329,378
Increase in long-term debt		2,500,000	1,500,000
TOTAL		<u>6,418,046</u>	<u>5,267,736</u>
APPLICATION OF FUNDS:			
Additions to property, plant, and equipment—Net		2,303,262	3,649,209
Cash dividends declared		871,342	731,250
Increase in investments		108,123	313,263
Decrease in deferred credits and reserve		92,815	52,183
Increase (decrease) in prepaid expenses		(11,906)	42,237
TOTAL		<u>3,363,636</u>	<u>4,788,142</u>
INCREASE IN WORKING CAPITAL		3,054,410	479,594
WORKING CAPITAL, BEGINNING OF YEAR		17,133,380	16,653,786
WORKING CAPITAL, END OF YEAR		<u>\$20,187,790</u>	<u>\$17,133,380</u>

See notes to financial statements.



THE MARK OF EXCELLENCE

Notes to Financial Statements

1. Principles of Consolidation

The accompanying financial statements include the accounts of the Company and its wholly-owned English and Canadian tableware subsidiaries. The current asset and liability accounts of these subsidiaries have been translated into U.S. dollars at the approximate exchange rates prevailing at year-end, the operating accounts have been translated at rates prevailing at the time of the transactions, and all other accounts have been translated at exchange rates in effect at dates of acquisition.

All material intercompany transactions and accounts have been eliminated in consolidation.

In prior years the Company's investments in its unconsolidated subsidiaries had been carried in the accounts at cost. In the current year the Company adopted the policy of carrying its investments in unconsolidated subsidiaries at equity and including in its net income the net income or loss of such subsidiaries. The financial statements for the year ended January 31, 1967 have been restated to account for this change of policy. For that year such restatement resulted in a reduction in net income of \$139,668 (\$.11 per share) and a reduction in earned surplus at the beginning of that year of \$20,171.

The cost of the Company's investment in its 50% owned Mexican affiliate approximated its share of the net assets at December 31, 1967. The Company's share of the net income of this affiliate for the year ended December 31, 1967 was \$16,900.

The Company received no dividends from its unconsolidated subsidiaries and affiliate in the current year.

2. Inventories

Inventories, other than silver, have been valued at the lower of cost or market, with cost being determined generally at average cost as to materials and standard costs (which approximate actual) as to labor and overhead. Silver inventories are stated at cost as determined generally on the last-in, first-out method.

3. Long-Term Debt

The long-term debt at January 31, 1968 consisted of the following:

5¼ % senior notes due July 15, 1982, payable	
\$417,000 annually from July 15, 1971.....	\$5,000,000
6¼ % senior notes due January 15, 1983, payable	
\$333,000 annually from January 15, 1972.....	4,000,000
Total	<u>\$9,000,000</u>

The note agreements restrict borrowings, investments, acquisition of the Company's stock, and payment of cash dividends. At January 31, 1968, consolidated earned surplus of \$5,530,547 was unrestricted and available for the foregoing purposes.

4. Retirement Benefit Plans

The Company and its consolidated subsidiaries have several non-contributory trustee pension plans covering substantially all of their employees. The total pension expense was \$633,058 in the current year and \$454,784 in the prior year, which includes, as to certain of the plans, amortization of past service cost over periods of approximately 40 years. The companies' policy is to fund pension cost accrued. The actuarially computed value of vested benefits for all plans as of January 31, 1967 (the last date at which such benefits were determined) exceeded the total of the pension funds by approximately \$2,000,000.

5. Depreciation

Depreciation, computed under the straight-line method for all depreciable assets, amounted to \$1,492,360 in the current year and \$1,329,378 in the prior year.

ACCOUNTANTS' OPINION

Oneida Ltd.:

We have examined the consolidated balance sheet of Oneida Ltd. and its consolidated subsidiaries as of January 31, 1968 and the related statements of consolidated income and earned surplus and of consolidated source and application of funds for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying financial statements present fairly the financial position of the companies at January 31, 1968 and the results of their operations and the source and application of their funds for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year (after restatement of the financial statements for that year as explained in Note 1).

Boston,
March 8, 1968.

Haskins & Sells

Five-Year Summary

(Dollars in thousands except per share amounts)

Year ended January 31 ⁽¹⁾	1968	1967	1966	1965	1964
OPERATIONS					
Sales	\$58,866	\$54,208	\$50,512	\$41,467	\$35,093
Income before taxes	5,180	5,003	4,878	3,664	1,818
Taxes on income	2,660	2,565	2,525	2,000	1,205
Net income	2,426 ⁽³⁾	2,438	2,353	1,664	613
Cash dividends declared—					
on preferred stock	141	141	141	176	141
on common stock	730	581	498	387	208
Retained earnings for the year	1,555	1,716	1,714	1,101	264
PER SHARE OF COMMON STOCK⁽²⁾					
Net income	1.72 ⁽³⁾	1.73	1.67	1.15	.36
Dividends55	.44	.38	.29	.16
Book value	17.23	16.06	14.77	13.48	12.65
FINANCIAL DATA					
Current assets	28,653	26,620	23,124	19,562	17,180
Working capital	20,188	17,133	16,654	11,851	12,211
Total assets	43,816	40,875	34,704	29,070	25,121
Long-term debt	9,000	6,500	5,000	None	None
Stockholders' equity	25,226	23,672	21,965	20,251	19,150
Additions and improvements to property, plant, and equipment	2,303	3,649	3,101	1,442	1,183
Provision for depreciation	1,492	1,329	1,170	908	842
Property, plant, and equipment—at cost ..	27,792	25,993	22,873	19,936	19,042
Accumulated depreciation	15,017	14,028	13,228	12,223	11,863

(1) Prior year figures have been adjusted where necessary to conform with the current financial statement.

(2) Based on 1,327,859 shares of stock now outstanding after adjustment for a 2 for 1 stock split in May 1964, a 100% stock distribution in October 1965, and a 20% stock distribution in October 1966.

(3) After extraordinary loss from devaluation of the English pound of \$94,030 (\$.07 per share).



THE MARK OF EXCELLENCE

Oneida's face to the consumers

MAGAZINE ADS



Oneida's distinctive advertising, the most comprehensive in the tableware industry, can be found in the pages of America's leading magazines. All of the campaigns have a corporate identity and are designed to stop the reader, to sell the individual product and to enhance the Company's image.

The Oneida Table Top Fashion Shops pioneered new avenues of merchandising in the tableware industry. Now installed in most major department stores and their branches, these silent salesmen have increased sales and profits through turnover and inventory control.

STORE DISPLAYS



Oneida creates colorful point-of-sale displays so necessary to stop consumers and to tie the products into the national advertising.

LITERATURE







The quality of a company's literature—for both consumers and dealers—speaks for the quality of its products. Oneida's literature truly builds the Company's image.



IMPORTANT PRODUCT LINES OF ONEIDA LTD.

ONEIDA® HEIRLOOM® Sterling
ONEIDA COMMUNITY  Sterling®

COMMUNITY® Stainless
ONEIDACRAFT® Deluxe Stainless
ONEIDA® Stainless
1881  ROGERS  Stainless®
WM. A. ROGERS® Stainless
SIMEON L. & GEORGE H. ROGERS
COMPANY Stainless®

COMMUNITY® Silverplate
1881  ROGERS  Silverplate
WM. A. ROGERS® Silverplate
HEIRLOOM® Silverplated Holloware
ONEIDA SILVERSMITHS Holloware
SIMEON L. & GEORGE H. ROGERS
COMPANY® Silverplate

ONEIDA Melamine Dinnerware
ONEIDA® Hotel Plate
ONEIDA Deluxe Cutlery



MARK OF EXCELLENCE

ONEIDA LTD. SILVERSMITHS, Oneida, New York 13421